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SUBJECT: JERUSALEM MEDIA REACTION (02/17): President Abbas says there will not be peace without Jerusalem as the capital of a Palestinian state

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Main Stories:  
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The dailies highlight Palestinian Authority (PA) President Mahmoud Abbas' and Prime Minister Fayyad's separate meetings with the Austrian Foreign Minister yesterday in Ramallah. Al-Quds quotes President Abbas saying "settlement activities must be halted before the resumption of negotiations. There will be no solution or peace without an Arabic Jerusalem as the capital of the Palestinian state." Al-Ayyam quotes Prime Minister Fayyad saying "We allocated \$40 million to develop the Jordan valley area...we're focusing on developing rural and marginalized areas." Fayyad is also quoted in Al-Quds saying "supporting the existence and survival of Palestinians on their land is resistance."

The dailies run front page stories reporting that the Dubai authorities are questioning two Palestinian suspects in the murder of Hamas leader Mahmoud al-Mabhouh. Al-Quds reports that Hamas retreated from accusing the PA for the murder and is now blaming Israel. The headline in Al-Hayat Al-Jadida claims that some of the suspects are in Israel carrying Israeli IDs. Ma'an and Al-Ayyam report that an Israeli man holding a British passport was shocked to see his face on the suspects' list. He says his identity was stolen.

Al-Hayat Al-Jadida and Ma'an report on a number of changes in the PA cabinet. Ma'an reports that three ministers were fired: Justice Minister Khashan Ali, Education Minister Lamis Al-Alami, and Agriculture Minister Ismail Deiq. Reports also note that the current Minister of Interior, Saeed Abu Ali, was offered the position of Chief of Staff. Abu Ali denied the existence of such an offer.

Al-Quds and Al-Ayyam report that these changes were not made.

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Hani Habib opines in Al-Ayyam under the title "Moscow's 'Maybe'... and Tel-Aviv's 'If'" saying: "Secretary of State Clinton arrived in the Gulf to say that the region should be worried about Iran's nuclear program. This concern is translated into more US weapons that the Gulf countries waste their oil money on buying, and the expansion of US military bases on their lands."

RUBINSTEIN